

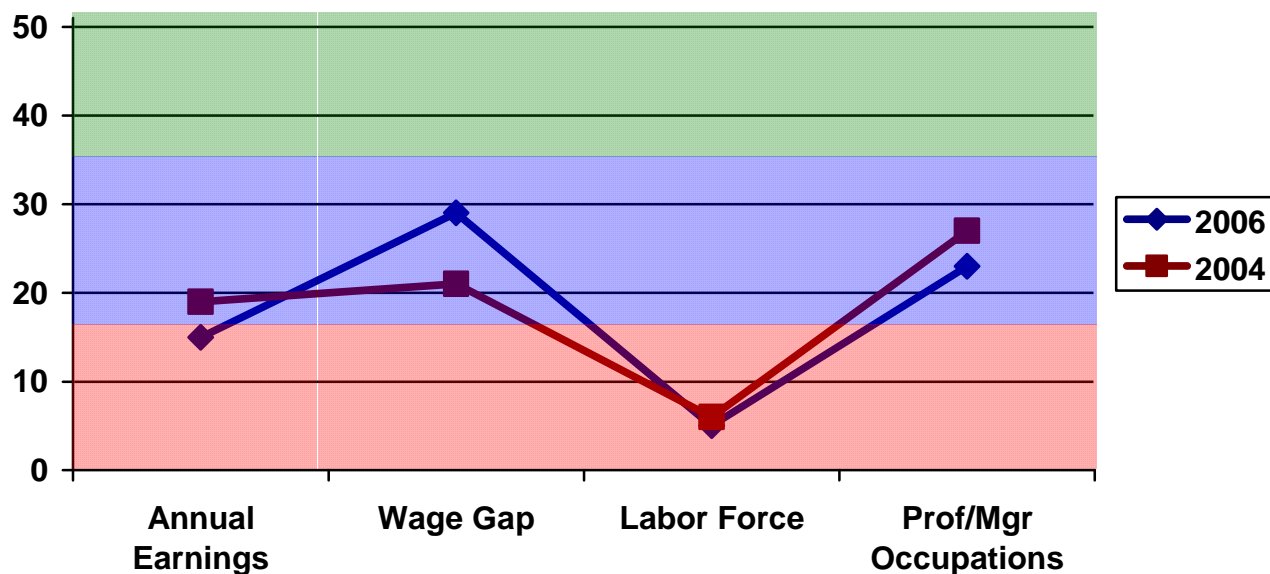
A REVIEW OF THE REPORT ON STATE ECONOMIES FOR WOMEN FOCUSING ON KENTUCKY

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In a report published by the Institute for Women's Policy Research in December 2006¹, it was reported that states with strong public sectors, health and education centers and financial services seem to create more favorable economic environments for women. Kentucky was ranked 5th worst in the nation overall in that report. The following information summarizes those findings and provides a comparison to the findings of a similar report that was issued in November 2004 as well as with national averages.

EMPLOYMENT AND EARNINGS COMPOSITE

The Employment and Earnings Composite Index looks at the following indicators of women's economic progress and measures how well women are doing: annual earnings, the wage gap; participation in the labor force, and women's representation in managerial and professional jobs. The line graph below shows how Kentucky ranked in that analysis for each of the four indicators. The level of these indicators is dependent upon the actions of many individual employers regarding job creation and elimination and wage setting as well as the decisions made by workers about when and where to work. Governments also play a role by setting minimum wage standards, enforcing equal employment opportunity laws and providing child care. Based on 50 states plus the District of Columbia, Kentucky consistently ranked in the middle to bottom third and received a "D" grade.



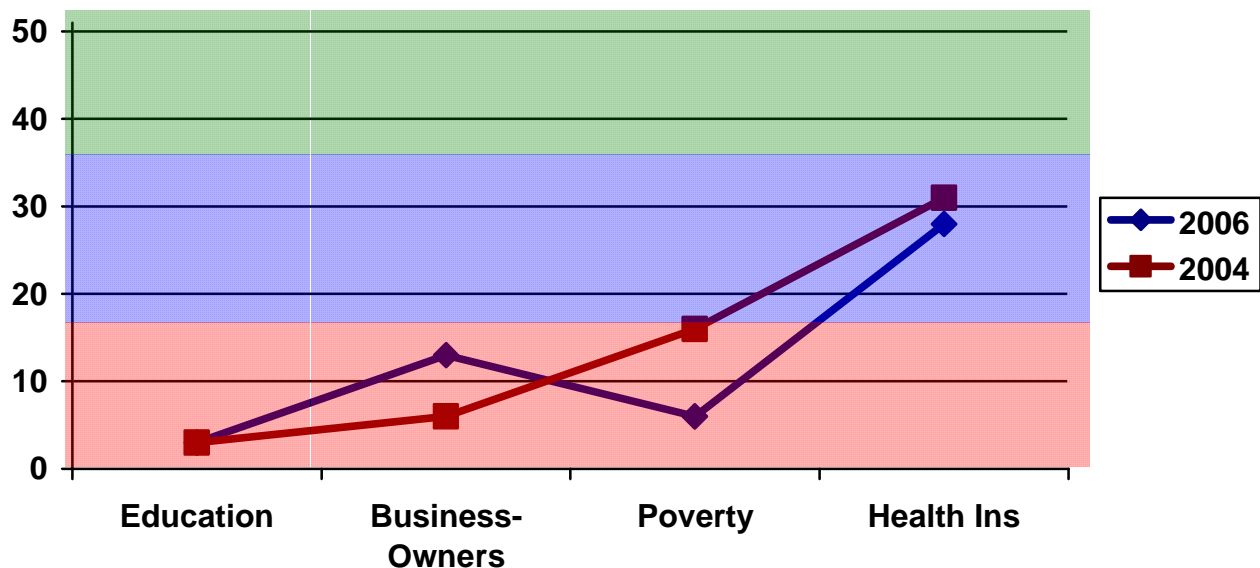
- Annual Earnings – In 2005, Kentucky women earned on average \$28,900 annually compared to the national average of \$31,800.

¹ Institute for Women's Policy Research: Briefing Paper – The Best and Worst State Economies for Women; December 2006 by Hartman, Sorokina and Williams.

- **Wage Gap** – Over the past 16 years, all 50 states experienced a narrowing of the wage gap. Between 1989-2005, Kentucky recognized a 13.2% change in its earnings ratio elevating it to the 3rd highest change overall. At the same time, the nation realized an 8.5% change. The earnings ratio between full-time, year-round employed women and men for Kentucky is 76.1% compared to 77.0% for the nation.
- **Labor Force Participation** – In 2004, the labor force participation rate for all civilian women 16-years-old and older was 59.2%. Kentucky came in lower than the national average at 55.4%.
- **Professional and Managerial Occupations** – Again, Kentucky comes in below the national average of 35.5% with 32.3% of its women being employed in managerial or professional occupations.

ECONOMIC POLICY ENVIRONMENT COMPOSITE

The Economic Policy Environment Composite Index looks at the following four indicators of the women-friendliness of state economic policy: educational level; business-ownership; poverty; and health insurance coverage. These indicators measure economic factors that state and local governments can influence substantially, through expenditures and regulations. The line graph below demonstrates how Kentucky ranked in that analysis for each of the four indicators. Based on 50 states plus the District of Columbia, Kentucky consistently ranked in the middle to bottom third and received a “D-” grade.



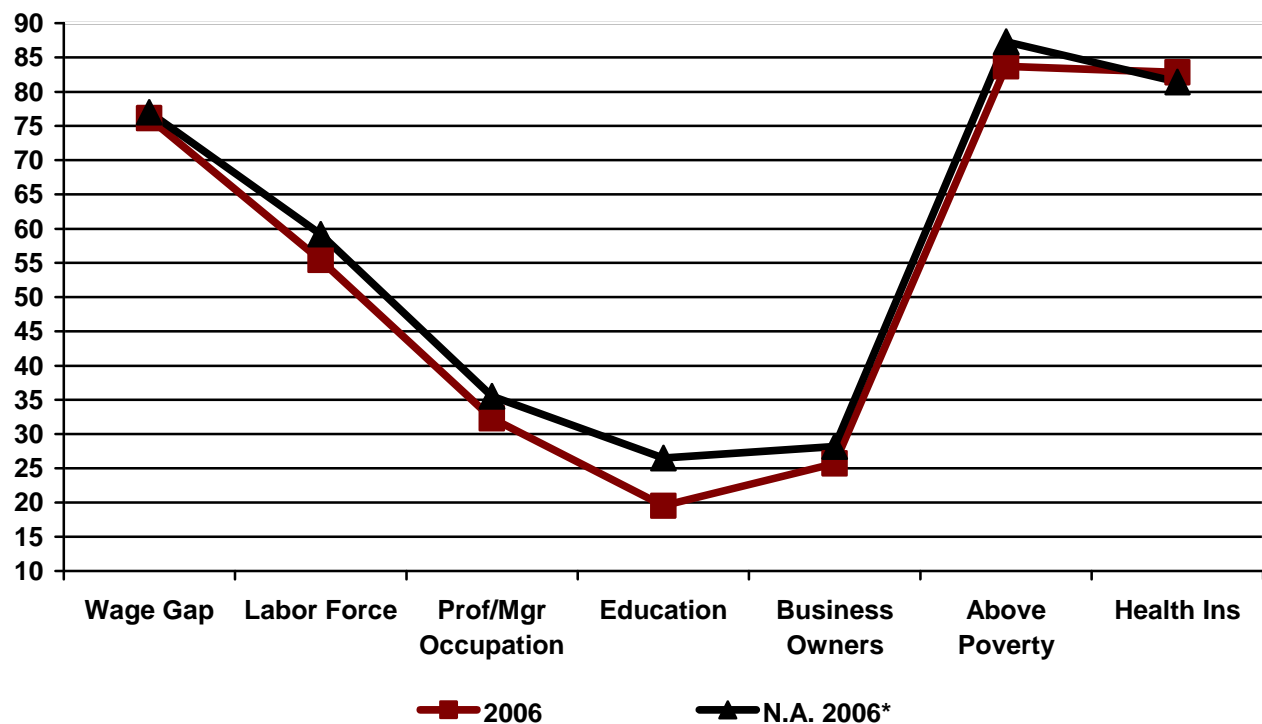
- **Education** – In general, more and more women are attaining higher education levels (college and above). However, only 19.5% of the women in Kentucky have at least a Bachelor's degree, compared to 26.5% for the nation.
- **Business-ownership** – The nation saw an increase in the number of women who owned businesses in 2002. Kentucky remains in the bottom third with 25.7%, compared to the national level of 28.2%.
- **Poverty** – The national average for women aged 16 and older in poverty in 2005 was 12.7%. Kentucky again ranked in the bottom third of the nation with 16.3% of its women living in poverty. This is directly related to the number of families living in poverty that

are headed by women. Kentucky did experience a slight increase (<1%) in the proportion of women living above poverty in the 2006 report but dropped by 10 places from the 2004 to the 2006 rankings (from a ranking of 36 in 2004 to 46 in 2006).

- Health Insurance – Women are more likely than men to have health insurance across the United States. This was the only measure in this composite that placed Kentucky at 82.8% insured in the middle third of the nation and above the national average of 81.4% (see graph below).

REVIEW OF ALL INDICATORS COMPARED TO THE NATIONAL AVERAGE FROM THE 2006 REPORT

The line graph below compares Kentucky's percentages to those of the national average with the exception of the median annual earnings. As is indicated, Kentucky consistently fell below the national average for all but the percent of women with health insurance. The largest gap between Kentucky and the national average occurs with the percentage of women with four or more years of college.



* - N. A. = National Average

RECOMMENDED ACTIONS

- Employers should actively recruit women into male-dominated fields
- Employers should proactively prevent harassment of women in non-traditional jobs
- Employers should regularly evaluate pay policies
- Government should enforce equal employment opportunity and other labor laws
- Require enforcement of minimum wage and hours laws and living wage laws
- Invest in education at all levels
- Increase contracts for women-owned businesses
- Improve family-friendly workplaces

- Expand early care and education programs that provide full day care
- Encourage greater use of state tax credit policies (EITC); increase public assistance benefits
- Encourage employers to provide health insurance for their workers and family members